



SUBJECT: ELECTRIC UTILITY INFORMATION PROGRAM -  
NEWSLETTER EXPLAINING 1989 RATE INCREASE

While the staff recommends sending the newsletter, we recognize the excellent job done by the News-Sentinel keeping the public informed. In fact, nearly all material contained in the newsletter has received coverage by the press.

Henry J. Rice  
Electric Utility Director

CC/NEWSL/TXTU.01D

City electric rates are **always** a large percent (%) below PG&E.

**Present** Lodi residential rates are **38.7%** below **PG&E**. (Based upon 500 kilowatt-hours monthly average residential **usage**.)

The proposed Lodi electric rate increase to become effective November 1, 1989, will result in a residential rate 21.1% below the present PG&E rate for the above usage,

After January 1, 1990, the Lodi residential rate will be 34.2% below PG&E **for** the above **usage**. This results because **PG&E** has applied for an electric rate increase to become effective January 2, 1990. Therefore, Lodi residential rates will almost return to the present % difference currently enjoyed by our customers.

#### **EFFECT ON RESIDENTIAL CUSTOMERS**

With City Council approval of the proposed rates, a residential customer who uses 500 kilowatt-hours (kwh) of electricity per month (typical average customer usage) would see a monthly electric bill increase of **\$4.79** in summer, from \$32.73 to **\$37.52**; and **\$4.96** in winter, from \$34.33 to \$39.29. A residential individual bill may differ from this example.

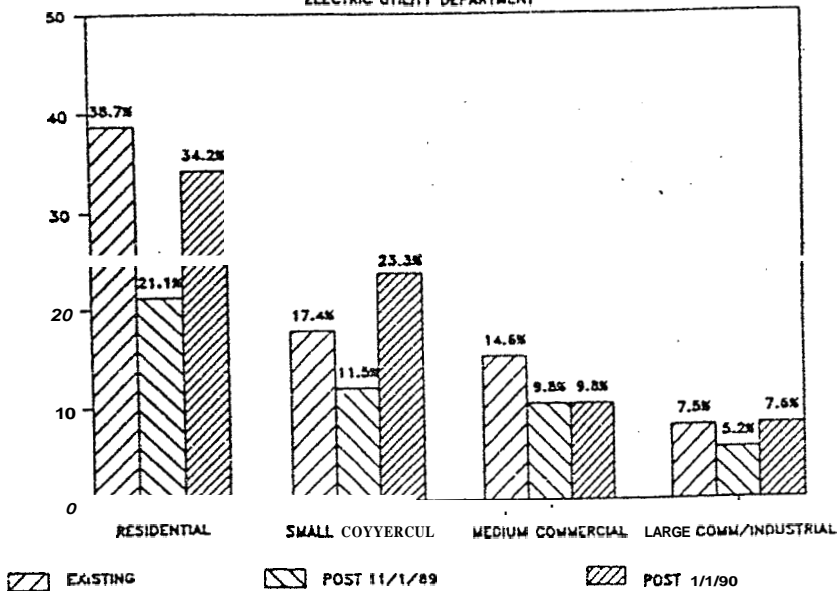
#### **COMPARISON WITH PG&E LOCAL RESIDENTIAL RATES**

In comparing the proposed Lodi rates to PG&E's **present** local *base* customer rates at the usage of 500 kwh, there would be a monthly difference of 58.05 in summer, **\$37.52** (Lodi) to **\$45.53** (PG&E); and **\$8.19** in winter, **\$39.29** to **\$47.48**. PG&E has a requested increase scheduled to be implemented January 1, 1990, which will additionally **widen** the difference.

#### **ELECTRIC RATE ADJUSTMENT**

| <u>Customer Category</u> | <u>Number of Customers</u> | <u>Twelve Month Increase Percent</u> |
|--------------------------|----------------------------|--------------------------------------|
| Residential (EA)         | 28,500                     | 14.0%                                |
| Small Commercial (G1)    | 2,070                      | 5.3%                                 |
| Medium Commercial (G2)   | 210                        | 4.4%                                 |
| Industrial (G3)          | 19                         | 0.4%                                 |

CITY OF LODI  
ELECTRIC UTILITY DEPARTMENT



City electric rates are always a large percentage (%) below PG&E.

The graph at the left illustrates average savings in percent that Lodi customers realize over those of the surrounding investor-owned electric utility (PG&E). Savings comparisons are shown based on the existing rates for Lodi and PG&E, on the Lodi 11/1/89 rate adjustment, and on the PG&E requested rates for 1/1/90.

#### ELECTRIC RATE ADJUSTMENT

| Customer Category      | Number of Customers | Twelve Month Increase Percent |
|------------------------|---------------------|-------------------------------|
| Residential (FA)       | 18,500              | 14.0%                         |
| Small Commercial (G1)  | 2,070               | 5.3%                          |
| Medium Commercial (G2) | 210                 | 4.4%                          |
| Industrial (G3)        | 19                  | 0.4%                          |

#### THE EFFECT OF THE ELECTRIC UTILITY PROPOSAL ON RESIDENTIAL CUSTOMERS.

With City Council approval of the proposed rates, a residential customer who uses 500 kilowatt-hours (kwh) of electricity per month (typical average customer usage) would see a monthly electric bill increase of \$4.79 in summer, from \$32.73 to \$37.52; and \$4.96 in winter, from \$34.33 to \$39.29. A residential individual bill may differ from this example.

#### COMPARISON WITH PG&E LOCAL RESIDENTIAL RATES-

In comparing the proposed Lodi rates to PG&E's present local base customer rates at the usage of 500 kwh, there would be a monthly difference of \$8.01 in summer, \$37.52 (Lodi) to \$45.53 (PG&E); and \$8.19 in winter, \$39.23 to \$47.48. PG&E has a requested increase scheduled to be implemented January 1, 1990, which will additionally widen the difference.

## NEWSLETTER PRELIMINARY COST ESTIMATE

Based on 22,000 copies of a two-sided, black and white, bulk rate newsletter:

|                               |                    |             |
|-------------------------------|--------------------|-------------|
| Label purchase                | \$ 110             |             |
| Label printing                | Finance Department |             |
| Label application/Fold/Staple | 1,760              |             |
| Typeset                       | 150                |             |
| Printing                      | 600                |             |
| Mailing (13.2¢/flyer)         | <u>2,904</u>       |             |
|                               | \$5,524            | 25.1¢/flyer |

The Special Education class in Lodi and the Valley Regional in Stockton offer newsletter label application, folding and sealing services.

## COMMON RATE SCHEDULE DEFINITIONS

Billing Cycle: The time period for which charges for electric power use are calculated.

Billing Demand: The demand upon which billing to a customer is based.

Common Areas: Areas which contain hallway and stairwell lighting, laundry rooms, swimming pool and other recreational areas, etc., which are available for use by all tenants.

Customer Charge: A flat charge always collected regardless of the amount of energy used (does not apply to residential service).

Demand: Demand is the average of the rate of energy consumption during a given period of time (interval, usually fifteen minutes). It is measured in kilowatts (kw). Demand meters record the highest demand occurring.

Diversified Resistance Welder Load: The total of all installed individual resistance welder ratings as computed by the method shown in the Electric Utility Department's Rules and Regulations.

Master Metering: The case where more than one premise has been allowed to be served through a single (master) meter.

Metering Interval: The time period (usually fifteen minutes) over which demand readings are determined.

Minimum Charge: A provision in a rate schedule that a customer's bill cannot fall below a specified level (applies to residential service only). No billing for the Minimum Charge occurs once a certain level of energy has been purchased.

Primary Service Voltage: The voltage class for service at 12,000 volts.

Totalizing: The time-interval by time-interval (usually fifteen minutes) summation of demand and energy from more than one set of meters. The highest such totalized demand is the Billing Demand for the Billing Cycle.

Transfer from Residential to Commercial Service Within Home: Business license issuance initiates such transfer through the City Finance Department.

RESIDENTIAL ELECTRIC BILL CALCULATION  
(Based on Rates Effective 11/1/89)

SUMMER (May through October)

Example #1 - Usage 50 kwh

Minimum Charge \$ 4.00

Energy Charge

First 440 kwh: 50 kwh x 5.06974 per kwh \$ 3.49

Over 440 kwh: 0.00  
\$ 3.49

Monthly Charge - your electric bill: \$ 4.00

(The Minimum Charge is higher than the Energy Charge; therefore, there is no Energy Charge.)

Example #2 - Usage 600 kwh

Minimum Charge \$ 4.00

Energy Charge

First 440 kwh: 440 kwh x \$.06974 per kwh \$30.69

Over 440 kwh: 160 kwh x \$.11396 per kwh 18.23  
\$48.92

Monthly Charge - your electric bill: \$48.92

(The Energy Charge is higher than the Minimum Charge; therefore, there is no Minimum Charge.)

WINTER (November through April)

Example #3 - Usage 50 kwh

Minimum Charge \$ 4.00

Energy Charge

First 400 kwh: 50 kwh x \$.06974 per kwh \$ 3.49

Over 400 kwh: 0.00

Monthly Charge - your electric bill: \$ 4.00

(The Minimum Charge is higher than the Energy Charge; therefore, there is no Energy Charge.)

Example #4 - Usage 600 kwh

Minimum Charge \$ 4.00

Energy Charge

First 400 kwh: 400 kwh x \$.06974 per kwh 27.90

Over 400 kwh: 200 kwh x \$.11396 per kwh 22.79  
\$50.69

Monthly Charge - your electric bill: \$50.69

(The Energy Charge is higher than the Minimum Charge; therefore, there is no Minimum Charge.)